



**COMMONWEALTH OF VIRGINIA**  
**DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

## Benefits Administrator Memo

**#06-02**

**To:** Benefits Administrators  
**From:** Mary P. Habel, Director  
State and Local Health Benefits Programs  
**CC:** All OHB  
**Date:** March 24, 2006  
**Re:** Spring Open Enrollment for Health Benefits and Flexible Reimbursement Accounts – April 14-May 15, 2006

### WHAT'S NEW

Open Enrollment for health benefits and Flexible Reimbursement Accounts (FRAs) is April 14 – May 15, 2006. The following changes will take effect July 1. See the [Spotlight newsletter](#) for more information.

- **New Single COVA Care ID Card** – All **COVA Care** members will receive a new single identification card for their benefits, including medical, prescription drug, dental and behavioral health. The card will include the current system-generated BES ID number. New ID cards will be mailed in June. (*Spotlight*, pages 1 and 2).
- **Enhanced COVA Care Benefits** – Coverage will increase for well child, routine wellness and preventive care, and the 12-month waiting period for orthodontic services under Expanded Dental will be eliminated. (*Spotlight*, pages 1, 2 and 4).
- **New High Deductible Health Plan (HDHP)** – Employees may choose a statewide HDHP and combine it with a tax-free Health Savings Account through a bank or other financial institution. The state will pay the total HDHP premium cost for full-time employees this year, but members will pay more out-of-pocket before the plan pays. The state will not contribute toward the HSA. (*Spotlight*, pages 1-4).
- **Medical FRA Waiting Period** – The current six-month waiting period to enroll in a Medical FRA will be eliminated effective July 1. All employees eligible for the State Health Benefits Program may enroll in a Medical FRA during Open Enrollment regardless of their date of hire. (*Spotlight*, pages 1, 3 and 6).

## GETTING READY FOR OPEN ENROLLMENT - COMMUNICATIONS

### 1. Updates to the OHB Contacts Database

The Office of Health Benefits maintains a contacts database for communicating information and distributing materials to agencies. EmployeeDirect also uses this database to determine an employee's Benefits Administrator and to notify the Benefits Administrator of an employee action.

This database permits one Benefits Administrator and one Benefits Manager for each Agency/Group number in BES. We ask that the designated contact share communications with others who may also be responsible for the same Agency/Group number.

The contacts database is updated monthly and the latest version is attached for your review. When you need to replace information on the contacts database, send your requests for updates to [Anne.Waring@dhrm.virginia.gov](mailto:Anne.Waring@dhrm.virginia.gov) or [Brenda.Farrish@dhrm.virginia.gov](mailto:Brenda.Farrish@dhrm.virginia.gov) in the Office of Health Benefits. Be sure to include Agency/Group numbers on all requests.

### 2. Updates to Employee E-Mail Addresses

It is important that your employees have a correct e-mail address on file in BES to use EmployeeDirect. If it is missing or incorrect, EmployeeDirect will refer the employee to you for assistance.

When you are asked to update a personal e-mail address (or the work e-mail address for a non-PMIS employee), use PSB301 with reason code 37 in BES. The BES e-mail field is now located near the center of the screen and will accommodate up to 50 characters.

To update a work e-mail address for a PMIS employee, use PSE091 and it will automatically update BES.

Once the BES e-mail address is successfully updated, your employee may immediately revisit EmployeeDirect and login.

### 3. Distribution of Open Enrollment Materials

Supplies of the *Spotlight* newsletter will be shipped to agencies the week of April 3. The *Spotlight* newsletter is the official communication for Spring Open Enrollment. If your agency chooses to develop its own Open Enrollment communications, it is the agency's responsibility to ensure that correct information is provided to employees.

- **Spring *Spotlight* Issue on Open Enrollment**

The Spring 2006 issue of the *Spotlight* newsletter provides enrollment instructions and highlights what to anticipate for July 1. Your supply of *Spotlight* is based on the eligible employee count for your agency in BES plus 8 percent. A limited number of extra copies may be ordered by writing in "Spotlight" and the quantity on the bottom of the State Materials Order Form (see attached). Remember that it is your responsibility to distribute *Spotlight* to all employees eligible for health benefits and Flexible Reimbursement Accounts. In addition to active employees, eligible employees include those classified employees working at least a 20 -hour week, those on leave, those off-site and those who previously waived coverage. A copy of *Spotlight* is enclosed.

- **HDHP Brochure**

A supply of brochures with additional benefits information on the new High Deductible Health Plan will be shipped to agencies with the *Spotlight*. You will receive the eligible employee count for your agency in BES plus 8 percent. The brochure also will be posted on the DHRM Web site.

- **Meetings and Videoconference Schedule**

Attached are flyers on the employee meetings and videoconferences that begin April 10. Please post in visible locations at your agency so that employees will have plenty of time to learn about the meetings. Information will also be posted on the DHRM Web site. Benefits Administrator training sessions are scheduled at 1:00 p.m. and employee meetings at 3:00 p.m. A satellite videoconference originating from the VDOT Auditorium on April 10 will be transmitted to nine VDOT locations. Benefits Administrators and employees must register to attend the videoconference locations only by calling the individual locations at the telephone numbers provided. There is no need to register to attend the session at the VDOT auditorium.

- **Active and Extended Coverage Enrollment Forms**

The active enrollment form is now part of a new six-page *Eligibility, Elections and Enrollment Information for Employees* brochure to assist employees in understanding eligibility, elections and enrollment instructions. Employees may keep the four-page overview, complete and tear off the two-page enrollment form, and return it to their Benefits Administrator. The active and Extended Coverage enrollment forms may be ordered on the Materials Order Form or downloaded and printed from the DHRM Web site under the Policies, Forms and Resources link. If you are downloading the new active enrollment information from the Web, be sure that you print off the entire piece, including the enrollment form.

- **Member Handbooks and Health Plan ID Cards**

New 2006 COVA Care and HDHP member handbooks will be available in June. The handbooks will be mailed to agencies in June for distribution to employees in these plans before July 1. ID cards for COVA Care, HDHP and Kaiser (where applicable) will be mailed to the employee's home address in mid-to-late June.

- **FRA Election Form, Worksheet and Flexible Benefits Program Sourcebook**

FRA election forms will no longer be available for order, but may be printed off the DHRM Web site. The form may be found under the Policies, Forms and Resources link. You will receive a supply of the FRA Worksheet with your *Spotlights* based on your agency's FRA count in BES. The Worksheet will also be posted on the DHRM Web site under the Flexible Benefits Program link. Flexible Benefits Program Sourcebooks will be mailed to agencies in June for distribution to agency employees enrolled in FRAs.

- **Materials Order Forms**

Two materials order forms will be posted on the DHRM Web site. The first may be used to order materials from Anthem, Delta Dental and ValueOptions. The other form is specific to Medco orders. Please note that the forms have different fax numbers! New materials will be available for order beginning April 3. For Kaiser materials, please call Kaiser directly at (301) 816-6871.

- **Electronic Communications**

A special Spring Open Enrollment section may be found beginning the week of April 3 on the front page of the DHRM Web site and under the Announcements section for Compensation and Benefits. You may also download *Spotlight*, the HDHP brochure, the health benefits enrollment forms, FRA Election Form, FRA Worksheet and the State Materials Order Forms. A Power Point presentation on Open Enrollment will be available by April 10 on the DHRM Web site.

If you choose to share communications with employees electronically, please follow these important guidelines:

1. To receive benefit information electronically, the recipient must have work-related access to a personal computer. Do not send benefit information electronically if you are not sure of this access. When in doubt, distribute printed material.
2. Work-related access means that employees are able to access documents at any location where they reasonably could be expected to perform employment duties.
3. Access to the employer's electronic information must be an integral part of their day-to-day work responsibilities.

## **THE ENROLLMENT PROCESS: ONLINE OR PAPER**

All Open Enrollment elections must be received on or before Monday, May 15 and are effective July 1, 2006 - June 30, 2007. Beginning April 14, eligible employees may enroll online by using EmployeeDirect. They may also make an election by submitting a completed State Health Benefits Program Eligibility, Elections And Enrollment Information For Employees form. FRA elections may be submitted on an FRA Election Form or by completing the FRA section on the form referenced above.

### **1. Using EmployeeDirect**

EmployeeDirect is quick, easy, and available 24 hours a day from any computer with Internet access. Using EmployeeDirect eliminates the paper form and automatically updates BES, saving your agency time and money.

Encourage your employees to visit the DHRM Web site at [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov) and click on the EmployeeDirect link as early as possible. Employees can review their Health Benefits Profile and make changes to their personal information before the Open Enrollment period begins. *Important note: Please discourage the use of previous "bookmarks" to the EmployeeDirect Web address as they may cause access errors for employees.*

Successful Open Enrollment elections are approved, confirmed and displayed right away on an updated Health Benefits Profile that takes effect on July 1. Employees who use EmployeeDirect are advised to review their updated profile and to keep a copy for their records.

When your employee successfully uses EmployeeDirect for Open Enrollment, you will receive a courtesy e-mail from EmployeeDirect and an official BES turnaround document for your records. You will also see a BES suspense record for July 1 with the Open Enrollment elections.

## **2. Using a Paper Form**

Open Enrollment elections submitted to you by FRA Election Form or on a Health Benefits Enrollment Form for Active Employees must be keyed in BES. You will be able to enter these elections from April 14 through close of business May 22. Successful Open Enrollment transactions will create a BES suspense record for July 1 and an official BES turnaround document for your records.

To key an FRA Open Enrollment election:

- Use the PSB200 transaction and reason code 56.
- Enter the receive date documented on the FRA election form (April 14- May 15, 2006), the appropriate per-pay dollar amount for each reimbursement account, and then transmit.
- Only one PSB200 transaction is required when processing enrollment into one or both reimbursement accounts.
- If you find that the paycode for a PMIS employee is incorrect, use PSE211 for classified employees or PSE083 for faculty to correct it before the FRA election is entered. Paycodes for non-PMIS employees may be corrected on the PSB200 transaction.

To key a Health Benefits Open Enrollment election:

- Use the PSB301 transaction and reason code 56.
- Enter the receive date documented on the Eligibility, Elections and Enrollment Information for Employees form, the appropriate health benefits information, and then transmit.

## **3. Handling Suspense Records**

Since Open Enrollment elections are effective prospectively, a suspense record is created in BES. Because of the future date, some transactions attempted prior to the effective date of the suspense record may fail. When this happens, the suspense record will have to be deleted, the new transaction entered, and the deleted suspense record re-keyed. If a BES suspense record prohibits a transaction, follow these steps:

- Use PSB305 to view and screen-print the suspense record; if there are dependents on the suspense record also screen-print the dependent scroll screen.
- Use PSB117 to delete the suspense record.
- Use PSB301 (and/or PSB200) with the appropriate reason code to enter the new transaction or have the member use EmployeeDirect for the new transaction. A successful EmployeeDirect transaction will create a BES pending record for the member. Handle the member's pending record before you re-key the deleted suspense record.
- Re-key the deleted suspense record making sure you key the same dates used on the deleted suspense record.

Contact the OHB Information Systems team for assistance if you have difficulty making the change after following these steps. Be sure to include the ID or SSN, name, and brief description of the problem.

*Also, keep in mind these important regulations related to Open Enrollment elections once the Open Enrollment period has ended:*

- An Open Enrollment suspense record must not be deleted because the employee wants to retract the Open Enrollment election.
- An Open Enrollment suspense record may not be changed when re-keyed.
- An Open Enrollment election must have been received on or before May 15.

#### **4. FBMC FRA Confirmations**

The Office of Health Benefits will be sending Fringe Benefits Management Company (FBMC) the July 1, 2006 plan year enrollment information in late May. The data file will include all transactions processed through EmployeeDirect or entered into BES through close of business on May 22.

FBMC will provide a list of your agency's employees and their election amounts. Look for this list in your FTP folder in early June. Use this report to ensure that payroll deductions for FRAs are set up on a timely basis. FBMC will also send a confirmation before July 1 to all employees who are included in this file transfer. Employees should be advised to review the confirmation for accuracy. Only clear and convincing errors will be considered by written request.

### **TO CONTACT THE OFFICE OF HEALTH BENEFITS**

For general information, you may contact the Office of Health Benefits by e-mail at [hbp@dhrm.virginia.gov](mailto:hbp@dhrm.virginia.gov), by phone at (804) 371- 6436 or by fax at (804) 371-0231.

If you have a specific request or need immediate assistance, a complete list of OHB representatives is at [www.dhrm.virginia.gov/hbenefits/contactohb.html](http://www.dhrm.virginia.gov/hbenefits/contactohb.html).

#### **Attachments:**

*Spotlight* newsletter

*Understanding the HDHP* brochure

Enrollment Forms:

--Active Employees

--Extended Coverage Participants

Employee Meetings/Videoconference Flyers

FRA Election Form

Materials Order Forms

Contacts Database